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Of Attorneys for Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re
U.S. Outdoor Holding LLC,
Debtor-in-Possession

Bankruptcy Case No.: 20-32571-dwh11

DECLARATION OF EDWARD
ARINIELLO IN SUPPORT OF THE
CHAPTER 11, SUBCHAPTER V, PLAN
DATED DECEMBER 3, 2020

I, Edward Ariniello, make this declaration in support of confirmation of U.S. Outdoor Holding LLC's ("Debtor-in-Possession" or "Debtor") Chapter 11, Subchapter V, Plan Dated December 3, 2020 (Doc. #90) (the "Plan") as may be amended at the Confirmation Hearing on January 21, 2021. I declare and state as follows:

BACKGROUND¹

1. I am the managing member for the Debtor-in-Possession. I have first-hand knowledge of the facts stated in this declaration and, if called as a witness, could testify competently thereto.

¹ The headings in bold type provided in this Declaration are strictly for the benefit of the parties and the Court and are not part of the Declarant's sworn statement.

11 U.S.C. § 1129(a)(1) - PLAN COMPLIANCE WITH THE BANKRUPTCY CODE

2. I believe the Plan complies with the applicable provisions of Title 11 of the United States Code (the "Bankruptcy Code"), including, without limitation, that the Plan properly designates classes of claims, classifies only substantially similar claims in the same class, provides adequate and proper means for implementation, and payments to creditors from the continuation of ongoing business operations sufficient for execution of the Plan. The Debtor is not a corporation. The Plan was not proposed with the principal purpose of the avoidance of taxes or the Securities Act of 1933, as amended.

11 U.S.C. § 1129(a)(2) - PROPONENT OF PLAN COMPLIANCE WITH THE BANKRUPTCY CODE

3. I, as managing member of the proponent of the Plan, have complied with the applicable provisions of Title 11 of the United States Code.

11 U.S.C. § 1129(a)(3) - PLAN PROPOSED IN GOOD FAITH

4. I believe the Plan has been proposed in good faith and not by any means forbidden by law.

5. I believe the Plan fully treats and pays all classes of creditors in a fashion consistent with the Bankruptcy Code.

6. The Debtor, by and through counsel, has appeared at all appearance-required hearings and have completed all court required reporting.

7. The Debtor has tried to disclose every piece of property, even when it may be determined not to have an interest in it outside of general business interest.

8. I further believe that the Plan has an adequate means for implementation and provides for alternatives in the event of default.

9. During the performance of the Plan, not less than \$594,390.13 will be paid to unsecured creditors on pre-petition claims from the Debtor's post-petition income.

11 U.S.C. § 1129(a)(4) - PAYMENT OF SERVICES, COSTS, OR EXPENSES

10. Any payment made or to be made by the Debtor, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the case, or in connection with the Plan and incident to the case, has been approved by, or is subject to the approval of, the Court as reasonable.

11. The Debtor has not made, and will not make, any payments for costs, expenses, or services provided by professionals in connection with this case outside of those approved by the Court. The Plan provides that Debtor-in-Possession's professionals are to be paid by Debtor-in-Possession on an administrative basis only after such fees are approved by the Court.

11 U.S.C. § 1129(a)(5) - DISCLOSURE OF POST-PETITION MANAGEMENT AND EMPLOYMENT OF INSIDERS

12. I, as managing member of the proponent of the Plan, have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of Debtor-in-Possession, an affiliate of Debtor-in-Possession participating in a joint Plan with Debtor-in-Possession, or a successor to Debtor-in-Possession under the Plan; and the appointment to, or continuance in, such office of

such individual, is consistent with the interests of creditors and equity security holders and with public policy; and Debtor-in-Possession has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor-in-Possession, and the nature of any compensation for such insider.

11 U.S.C. § 1129(a)(6) - GOVERNMENT REGULATION OF RATES

13. No governmental regulatory commission has jurisdiction over the approval of the rates of the Debtor. The requirement that any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of Debtor-in-Possession approve any rate change provided for in the Plan, or that such rate change is expressly conditioned on such approval, is inapplicable to Debtor or its Plan.

11 U.S.C. § 1129(a)(7) - BEST INTEREST OF CREDITORS

14. The Plan provides that with respect to each impaired class of claims or interests each holder of a claim or interest of such class has accepted the Plan; or will receive or retain under the Plan on account of such claim or interest property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if Debtor-in-Possession were liquidated under Chapter 7 of Title 11 of the United States Code on such date; or if Section 1111(b)(2) of Title 11 of the United States Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan an account of such claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims.

15. The Plan proposes a payout of not less than \$594,390.13 on unsecured claims and, therefore, provides that unsecured creditors will receive under the Plan, on account of their claims, property having a value, as of the date of confirmation of the Plan, that is equal to the amount that such creditor would receive if the nonexempt assets were liquidated under a Chapter 7 case. Plan ¶ 4.

11 U.S.C. § 1129(a)(9) - TREATMENT OF PRIORITY CLAIMS

16. The Debtor has no claims against it entitled to priority under Section 507(a)(1) for domestic support obligations.

17. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the Plan provides that with respect to a claim of a kind specified in Section 507(a)(2) or 507(a)(3) of Title 11 of the United States Code, on the Effective Date of the Plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim.

18. Unless otherwise agreed in writing by the holder of an administrative claim, all administrative claims will be paid in accordance with the requirements of the Bankruptcy Code.

19. The Debtor has no claims against it entitled to priority under Section 507(a)(3), as that section applies only to involuntary petitions. This case was commenced voluntarily.

20. The Debtor believes that all claims entitled to priority under Section 507(a)(4) for wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual, or sales commissions earned by an individual or a corporation with only one employee have been satisfied post-petition.

21. The Debtor believes that all claims entitled to priority under Section 507(a)(5) for pre-petition contributions to employee benefit plans have been satisfied post-petition.

22. The Debtor has no claims against it entitled to priority under Section 507(a)(6) as it does not own or operate a grain storage facility, and it has not acquired fish or fish produce from a United States fisherman.

23. The Debtor has no claims against it entitled to priority under Section 507(a)(7) for deposits related to the purchase, lease, or rental of property or the purchase of services for personal, family, or household use.

24. With respect to claims against the Debtor-in-Possession entitled to priority under Section 507(a)(8), including claims which would be entitled to priority under Section 507(a)(8) but for the secured status of that claim, the Plan provides that the holder of such claim will receive on account of such claim regular installment payments in cash:

- (i) pursuant to the stated annual payments contained in Exhibit 1 of the Plan, as to be amended by **Exhibit 1** attached hereto and discussed below;
- (ii) on a pro rata basis over a period ending not later than 5 years after the date of the order for relief under Section 301; and
- (iii) priority claims under Section 507(a)(8) of an amount less than \$2,000.00 may be prepaid at any time as a matter of administrative convenience.

25. The Debtor has no claims against it entitled to priority under Section 507(a)(9) for any commitment by the Debtor for or to a Federal depository institutions regulatory agency (or predecessor to such agency) to maintain the capital of an insured depository institution.

26. The Debtor has no claims against it entitled to priority under Section 507(a)(10) for claims for death or personal injury resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug, or another substance.

11 U.S.C. § 1129(a)(10) - ACCEPTANCE BY AN IMPAIRED CLASS

27. At least one class of claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

11 U.S.C. § 1129(a)(11) - FEASIBILITY

28. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor-in-Possession or any successor to Debtor-in-Possession under the Plan, unless such liquidation or reorganization is proposed in the Plan.

29. I have reviewed the financial statements and the projections for future income of the Debtor. The financial projections were prepared by Karissa Aleskus of the consulting firm CFO Selections, LLC, based on information I provided and with my participation, review and approval. I am familiar with the preparation of the projections. The projections attached as Exhibit 1 to the Plan contained several errors which have now been corrected. The corrected projections are attached hereto as **Exhibit 1**. Based on this review and my familiarity with the facts, I believe that the Debtor will be able to perform its obligations under the Plan, including all of its payment obligations.

30. The income and expense numbers used in Debtor-in-Possession's projected budgets are realistic because they are based on existing income and expenses.

11 U.S.C. 1129(a)(12) - PAYMENT OF U.S. TRUSTEE AND COURT FEES

31. All fees payable under Section 1930 of Title 28 of the United States Code, as determined by the Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

11 U.S.C. 1129(a)(13) - CONTINUATION OF RETIREE BENEFITS

32. The requirements for continuation of retiree benefits under Section 1129(a)(13) are inapplicable because the Debtor is not obligated to pay for any retiree benefits.

11 U.S.C. § 1129(a)(14) - PAYMENT OF DOMESTIC SUPPORT OBLIGATIONS

33. The Debtor has no, nor does it anticipate, any claims for domestic support obligation that first become payable after the date of the filing of the petition.

11 U.S.C. § 1129(a)(16) - TRANSFERS OF PROPERTY

34. The requirement under Section 1129(a)(16) for confirmation of the Plan that all transfers of property under the Plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust is inapplicable as the Debtor is not a corporation or trust.

11 U.S.C. § 1191(b)

35. The Plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the Plan.

36. The Plan preserves the Debtor's ability to continue to employ its employees and operate as a going concern.

37. I believe that all procedures used to distribute solicitation materials for the Plan and to tabulate the ballots were fair and conducted in accordance with the Bankruptcy Code, Bankruptcy Rules, the Local Bankruptcy Rules, and all other rules, laws, and regulations.

I hereby declare that the above statements are true to the best of my knowledge and belief and that I understand the above statements are made for use as evidence in Court and are subject to penalty for perjury.

Dated: January 18, 2021

/s/ Edward Ariniello
Edward Ariniello, Declarant

Beginning Cash

400,000	622,738	452,201	402,657
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CLASS	CREDITOR NAME	CLAIM AMOUNT	INTEREST RATE	Due 1/31/21	Due 1/31/22	Due 1/31/23	Due 1/31/24
Admin	Vanden Bos & Chapman	50,000	0%	50,000	5,000	5,000	0
Admin	CFO Selections, LLC	5,000	0%	6,000	7,500	5,000	0
Admin	Willamette Valley Accounting	4,000	0%	4,000	4,000	4,000	0
Admin	Solomon Trust (precautionary)	30,000	0%	30,000	0	0	0
Admin	Subchapter V Trustee	10,000	0%	10,000	0	0	0
Subtotal:				100,000	16,500	14,000	0
Class 1	US Small Business Admin	150,154	3.75%	5,117	8,772	8,772	8,772
Class 2	Tecnica Group USA Corp	50,298	4.25%	4,500	49,973	0	0
Class 3	The Burton Corporation	64,302	4.25%	8,200	61,335		
Class 4	National Funding Inc	74,567	4.25%	9,500	71,136		
Class 5	IRS	92,734	3.00%	6,000	92,202		
Class 6	Multnomah County	1,610	16.00%	1,610	0	0	0
Class 7	Solomon Trust (see Class 9)	193,129	0.00%	0	0	0	0
Class 8	Solomon Management (see Class 9)	1,269,785	0.00%	0	0	0	0
Subtotal:				34,927	283,418	8,772	8,772
Priority	IRS	59,642	3.00%	6,000	57,094	0	0
Priority	ODR	24,260	6.00%	3,000	24,079		
Priority	DCBS	1,127	6.00%	1,127	0	0	0
Priority	Employment Dept	18,169	6.00%	2,500	17,765		
Subtotal:				12,627	98,938	0	0
Class 9	General Unsecured Creditors	3,600,085	0%	0	50,000	323,795	323,795
Subtotal:				0	50,000	323,795	323,795

Total Plan Payments:
Net Cash Carry:

147,554	448,856	346,567	332,567
252,446	173,882	105,634	70,090

Income Statement Projections

% Inc.	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	2021
Beginning Cash Balance	252,446.00	257,442.99	366,314.32	358,782.73	335,952.29	326,056.25	317,280.62	305,180.51	300,435.82	313,862.71	373,557.21	460,654.60	
Post-Petition Financing		250,000.00											250,000
Revenue													
46100 · In-Store Sales	175,606	131,450	135,750	87,540	105,000	112,000	119,098	121,500	160,020	272,550	338,100	473,340	2,231,954
46200 · eCommerce Sales													
46201 · Paypal													
46202 · Amazon													
46200 · eCommerce Sales - Other													
46000 · Merchandise Sales - Other													
48300 · Vendor Discounts Given													
48500 · Refunds and Returns													
49000 · Sponsorship and Commissions													
Total Revenue	229,456	433,500	177,000	129,790	149,750	160,822	171,667	173,366	216,713	344,464	442,030	591,794	3,220,352

Cost of Goods Sold

50000 · Cost of Goods Sold (Inventory)	114,142	215,643	88,048	64,564	74,493	80,000	85,395	86,241	107,803	171,352	219,887	294,386	1,601,954
50090 · Inventory - Freight -In													
50100 · Cost of Sales													
59700 · eComm Online Services													
59800 · Merchant Account Fees													
Total 50100 · Cost of Sales													
55020 · Rental Fleet													
65040 · Repair Shop Expenses													
68200 · Postage/ Shipping													
Total COGS	130,074	237,739	100,059	75,392	86,426	95,628	106,647	99,574	123,546	194,202	255,196	336,837	1,841,319

Gross Profit

Gross Margin %	99,382	195,761	76,941	54,398	63,324	65,194	65,020	73,793	93,167	150,262	186,835	254,956	1,379,033
Product Margin %	43%	45%	43%	42%	42%	41%	38%	43%	43%	44%	42%	43%	43%
	50%	-17%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%

Expense

General & Administrative

60211 · Fuel	125	125	125	125	125	125	125	125	125	125	125	125	1,500
60201 · Automobile Expense - Other	250	250	250	250	250	250	250	250	250	250	250	250	3,000
60300 · Parking and Tolls	750	0	0	0	0	0	0	0	0	0	0	0	750
60400 · Bank Service Charges - Other	40	40	40	40	40	40	40	40	40	40	40	40	480
61700 · Computer and Internet Expenses	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
63300 · Liability Insurance	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	18,600
64300 · Meals and Entertainment 50%	150	150	150	150	150	150	150	150	150	150	150	150	1,800
64310 · Meals and Entertainments 100%	225	225	225	225	225	225	225	225	225	225	225	225	2,700
64400 · Travel	200	200	200	200	200	200	200	200	200	200	200	200	2,400
64900 · Office Supplies	2,000	925	925	925	925	925	925	925	925	925	925	925	12,175
64950 · Software Subscription Expense	700	700	700	700	700	700	700	700	700	700	700	700	8,400
66700 · Professional Fees	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
66900 · Reconciliation Discrepancies	0	0	0	0	0	0	0	0	0	0	0	0	0

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	2021
68900 · Licenses and Fees	450	450	450	450	450	450	450	450	450	450	450	450	5,400
Total General & Administrative	10,040	8,215	8,215	8,215	8,215	8,215	8,215	8,215	8,215	8,215	8,215	8,215	100,405
Occupancy													0
61100 · Display & Decor Expense	250	250	250	250	250	250	250	250	250	250	250	250	3,000
63600 · Janitorial Expense	150	150	150	150	150	150	150	150	150	150	150	150	1,800
64800 · Furniture & Fixtures < \$2500	100	100	100	100	100	100	100	100	100	100	100	100	1,200
66300 · Business Tax	3,000	3,000	3,000	2,500	2,500	2,500	2,500	2,500	2,500	3,000	3,000	3,000	33,000
67100 · Rent Expense	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
67200 · Repairs and Maintenance	500	500	500	200	200	200	200	200	200	200	200	200	4,700
67250 · Small Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
68601 · Telephone Expense	750	750	750	750	750	750	750	750	750	750	750	750	9,000
68600 · Utilities - Other	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Total Occupancy	14,750	14,750	14,750	13,950	13,950	13,950	13,950	13,950	13,950	14,450	15,150	15,150	172,700
Sales & Marketing													0
60180 · Advertising and Promotion	8,000	8,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	10,000	10,000	10,000	88,000
60184 · Dues and Memberships	100	100	100	100	100	100	100	100	100	100	100	100	1,200
60187 · Marketing/Public Relation	200	200	200	500	500	500	500	500	500	1,500	1,500	1,500	8,100
60188 · Events & Classes	0	0	0	0	0	0	0	0	0	500	500	500	1,500
60189 · Trade Show Expenses				0	0	750	750	750	750	750	750	750	5,250
64500 · Gifts < \$25	0	0	0	0	0	0	0	0	0	0	0	0	0
64600 · Gifts > \$25	0	0	0	0	0	0	0	0	0	0	0	0	0
68300 · Printing/Reproduction	300	300	300	300	300	300	300	300	300	300	300	300	3,600
69600 · Consignment Sales Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales & Marketing	8,600	8,600	7,600	7,900	7,900	8,650	8,650	8,650	8,650	13,150	13,150	13,150	107,650
60000 · Payroll Expenses													
60031 · Hourly Labor	34,440	29,400	28,140	22,190	18,760	18,760	21,560	22,820	23,800	28,980	36,288	36,540	321,678
60032 · Salary Labor	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	192,000
60050 · Federal Payroll Taxes	4,287	3,859	3,752	3,246	2,955	2,955	3,193	3,300	3,383	3,823	4,444	4,466	43,663
60060 · State Payroll Taxes	2,018	1,816	1,766	1,528	1,390	1,390	1,502	1,553	1,592	1,799	2,092	2,102	20,547
63400 · Worker's Compensation	200	200	200	200	50	50	50	50	50	50	200	200	1,500
66400 · Pension Plan	300	300	300	300	300	300	300	300	300	300	300	300	3,600
66500 · Medical/ Dental Insurance	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
66550 · Other Employee Benefits	100	100	100	100	100	100	100	100	100	100	100	100	1,200
66800 · Recruiting Expenses	50	50	50	0	0	0	0	0	100	100	150	50	550
68500 · Uniforms	0	0	0	0	0	0	0	0	0	0	48	0	48
60000 · Payroll Expenses - Other	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Total 60000 · Payroll Expenses	60,995	55,325	53,908	47,164	43,155	43,155	46,305	47,723	48,925	54,753	63,222	63,358	627,986
Total Expense	94,385	86,890	84,473	77,229	73,220	73,970	77,120	78,538	79,740	90,568	99,737	99,873	1,008,741
Net Income	4,997	108,871	-7,532	-22,830	-9,896	-8,776	-12,100	-4,745	13,427	59,695	87,097	155,084	370,292

US Outdoor Holding, LLC	Forecast	Forecast	Forecast
Income Statement & Projections	2021	2022	2023
In-Store Sales	2,231,954	2,410,511	2,506,931
eCommerce Sales	733,660	792,353	824,047
Merchandise Sales - Other	12,500	13,500	14,040
Total Revenue	3,220,352	3,207,980	3,336,299
Total COGS	1,841,319	1,901,553	1,977,615
Gross Profit	1,379,033	1,306,427	1,358,685
<i>Gross Margin %</i>	<i>42.8%</i>	<i>40.7%</i>	<i>40.7%</i>
Total General & Administrative	100,405	103,417	106,520
Total Occupancy	172,700	179,608	186,792
Total Sales & Marketing	107,650	110,880	114,206
Total Payroll Expenses	627,986	634,204	654,143
Total Expense	1,008,741	1,028,109	1,061,661
Net Income	370,292	278,319	297,023
Beginning Cash:	400,000	252,446	173,882
Cash + NI	400,000	622,738	452,201

CERTIFICATE - TRUE COPY

DATE: January 18, 2021

DOCUMENT: DECLARATION OF EDWARD ARINIELLO IN SUPPORT OF THE
CHAPTER 11, SUBCHAPTER V, PLAN DATED DECEMBER 3, 2020

I hereby certify that I prepared the foregoing copy of the foregoing named document and have carefully compared the same with the original thereof and it is a correct copy therefrom and of the whole thereof.

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing on:

U.S. Outdoor Holding LLC
Attn: Edward A. Ariniello
600 NW 14th Ave Ste A
Portland, OR 97209

by mailing a copy of the above-named document to each of the above in a sealed envelope addressed to the last known address. Each envelope was deposited into the postal system at Portland, Oregon, on the below date, postage prepaid.

I hereby certify that the foregoing was served on all CM/ECF participants through the Court's Case Management/Electronic Case File system on the date set forth below.

Dated: January 18, 2021

VANDEN BOS & CHAPMAN, LLP

By: /s/Daniel C. Bonham
Douglas R. Ricks, OSB #044026
Daniel C. Bonham, OSB #183104
Of Attorneys for Debtor-in-Possession